
LOUISIANA CHILDREN'S MUSEUM
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/14/11



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LOUISIANA CHILDREN'S MUSEUM
NEW ORLEANS, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

LOUISIANA CHILDREN'S MUSEUM

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Louisiana Children's Museum

We have audited the accompanying statements of financial position of the Louisiana Children's Museum (the Museum) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Louisiana Children's Museum's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Children's Museum as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011 on our consideration of the Museum's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Postellwhite & Netterville

Metairie, Louisiana

June 23, 2011

LOUISIANA CHILDREN'S MUSEUM
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	<u>ASSETS</u>	
	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents, unrestricted	\$ 64,946	\$ 79,864
Cash and cash equivalents, temporarily restricted (note 5)	999,887	645,401
Grant receivables	150,000	50,243
Investments (note 6)	109,375	98,469
Promises to give, net, substantially restricted (note 5)	1,158,200	1,019,200
Inventory	24,507	38,755
Prepaid expenses	29,504	22,480
Total current assets	<u>2,536,419</u>	<u>1,954,412</u>
Property and equipment, net (note 2)	2,553,256	2,296,389
Collectibles	4,650	4,650
Deposits	<u>2,060</u>	<u>2,060</u>
Total assets	<u>\$ 5,096,385</u>	<u>\$ 4,257,511</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and other accrued expenses	\$ 256,541	\$ 251,728
Line of credit (note 4)	65,000	70,000
Notes payable, current portion (note 3)	50,000	50,000
Total current liabilities	<u>371,541</u>	<u>371,728</u>
Notes payable, long-term portion (note 3)	<u>370,000</u>	<u>425,000</u>
Total liabilities	<u>741,541</u>	<u>796,728</u>
Net assets:		
Unrestricted	2,124,962	1,724,387
Temporarily restricted (note 5)	2,158,087	1,664,601
Permanently restricted (note 5)	71,795	71,795
Total net assets	<u>4,354,844</u>	<u>3,460,783</u>
Total liabilities and net assets	<u>\$ 5,096,385</u>	<u>\$ 4,257,511</u>

See accompanying notes to financial statements.

LOUISIANA CHILDREN'S MUSEUM
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support:								
General and administrative	\$ 422,898	\$ -	\$ -	\$ 422,898	\$ 396,403	\$ -	\$ -	\$ 396,403
Marketing and sales	242,844	-	-	242,844	215,193	-	-	215,193
Museum store	151,061	-	-	151,061	147,453	-	-	147,453
Fund raising	158,846	-	-	158,846	168,847	-	-	168,847
Development	183,393	553,095	-	736,488	42,412	309,920	-	352,332
Education	109,669	-	-	109,669	78,477	-	-	78,477
Early Learning Village	-	821,338	-	821,338	-	1,027,300	-	1,027,300
Memberships	180,098	-	-	180,098	200,968	-	-	200,968
	1,448,809	1,374,433	-	2,823,242	1,249,753	1,337,220	-	2,586,973
Net assets released from restrictions	880,947	(880,947)	-	-	838,645	(838,645)	-	-
Total revenue and other support	2,329,756	493,486	-	2,823,242	2,088,398	498,575	-	2,586,973
Expenses:								
General and administrative	418,824	-	-	418,824	415,107	-	-	415,107
Marketing and sales	170,341	-	-	170,341	223,343	-	-	223,343
Museum store	138,784	-	-	138,784	138,172	-	-	138,172
Fund raising	75,106	-	-	75,106	93,435	-	-	93,435
Development	67,634	-	-	67,634	75,629	-	-	75,629
Education	528,993	-	-	528,993	649,675	-	-	649,675
Early Learning Village	197,908	-	-	197,908	296,678	-	-	296,678
Exhibit, maintenance and repairs	331,591	-	-	331,591	303,827	-	-	303,827
	1,929,181	-	-	1,929,181	2,195,866	-	-	2,195,866
Total expenses (note 7)	1,929,181	-	-	1,929,181	(107,468)	498,575	-	391,107
Change in net assets	400,575	493,486	-	894,061	1,831,855	1,166,026	71,795	3,069,676
Net assets at beginning of year	1,724,387	1,664,601	71,795	3,460,783	\$ 1,724,387	\$ 1,664,601	\$ 71,795	\$ 3,460,783
Net assets at end of year	\$ 2,124,962	\$ 2,158,087	\$ 71,795	\$ 4,354,844				

See accompanying notes to financial statements.

LOUISIANA CHILDREN'S MUSEUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Cash flows provided by operating activities:		
Cash received from contributors, gifts, members, visitors and programs	\$ 2,433,424	\$ 1,485,824
Cash received from museum store	151,061	147,453
Salaries and benefits paid to employees	(813,490)	(1,018,255)
Operating expenses	(928,188)	(953,371)
Interest paid	(22,510)	(18,139)
Net cash provided by (used in) operating activities	<u>820,297</u>	<u>(356,488)</u>
Cash flows from investing activities:		
Purchases of equipment and exhibit	(420,729)	(162,501)
Net cash used in investing activities	<u>(420,729)</u>	<u>(162,501)</u>
Cash flows used in financing activities:		
Borrowings from line of credit	-	70,000
Repayment of note payable	(60,000)	(25,000)
Net cash (used in) provided by financing activities	<u>(60,000)</u>	<u>45,000</u>
Net change in cash and cash equivalents	339,568	(473,989)
Cash and cash equivalents at beginning of year	<u>725,265</u>	<u>1,199,254</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,064,833</u></u>	<u><u>\$ 725,265</u></u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 894,061	\$ 391,107
Change in unrealized gains on investments, allowance and discount on promises to give	(10,906)	(14,402)
Depreciation	163,862	142,924
Adjustments to reconcile change in net assets provided by (used in) operating activities:		
Changes in:		
Grant receivables	(99,757)	(40,496)
Promises to give	(139,000)	(913,200)
Inventory	14,248	(4,374)
Prepaid expenses	(7,024)	2,220
Accounts payable and other accrued expenses	4,813	79,733
Net cash provided by (used in) operating activities	<u><u>\$ 820,297</u></u>	<u><u>\$ (356,488)</u></u>
As presented on the statements of financial position:		
Cash and cash equivalents, unrestricted	\$ 64,946	\$ 79,864
Cash and cash equivalents, temporarily restricted	999,887	645,401
Total cash and cash equivalents	<u><u>\$ 1,064,833</u></u>	<u><u>\$ 725,265</u></u>

See accompanying notes to financial statements.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. Summary of Significant Accounting Policies

History and Organization

The Louisiana Children's Museum (the Museum), which opened in October 1986, is an invaluable cultural, educational and recreational resource serving the City of New Orleans with exhibits and programs focusing on health, fitness, art, local history, cultural heritage, local industry, geography, literacy, science, math, safety, and daily living skills.

The Museum is organized as a private, nonprofit corporation, chartered in the State of Louisiana and granted 501(c)(3) status by the Internal Revenue Service. It is governed by a 30-member Board of Directors. The Museum is heavily dependent on community support for contributions and memberships.

The Early Learning Village (ELV) is a planned educational and cultural complex situated on a 12 acre site in New Orleans City Park to support and nurture the optimal development of children and families. The planned relocation of the Louisiana Children's Museum is the anchor of the Early Learning Village. Surrounding the Louisiana Children's Museum in the ELV are local organizations that help our families provide healthy and caring relationships, model lifestyles that promote physical health, and engage in a successful start to lifelong learning. Daily programming on-site will be accompanied by training throughout the State of Louisiana on child development and family well-being.

Financial Statement Presentation

The Museum's net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Museum and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Museum and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Museum pursuant to those stipulations.

Basis of Presentation

The Museum prepares its financial statements on the accrual basis of accounting.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

For purposes of the statements of cash flows, the Museum considers all highly liquid investments in money market funds to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Museum that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Promises to give and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Inventory

The Museum's gift shop inventory is valued at cost on the first-in, first-out method.

Property and Equipment

Property and equipment of the Museum are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets on the straight-line method.

Income Taxes

The Museum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. Summary of Significant Accounting Policies (continued)

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Museum may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Museum and various positions related to the potential sources of unrelated business taxable income (UBTI). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2009 and 2010.

The Museum's tax returns for the years ended December 31, 2009, December 31, 2008, and December 31, 2007 remain open and subject to examination by taxing authorities.

Contributions and Memberships

Contributions and memberships represent cash donations to the Museum from private organizations and individuals and are recognized as support when received or pledged.

Restricted Net Assets

The Museum reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts of long-lived operating assets such as land, buildings or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that could affect reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results and the results of future periods could differ from those estimates.

Financial instruments with off-balance sheet risk

The Company periodically has funds in excess of federally insured limits at its lender bank. At December 31, 2010 and 2009, \$455,176 and \$369,624, respectively, of the Company's cash was over the FDIC limits.

2. Property and Equipment

A summary of property and equipment as of December 31 is as follows:

	2010	2009	Estimated Useful Life
Land	\$ 381,000	\$ 381,000	N/A
Buildings and improvements	2,913,057	2,796,467	30 years
Exhibits	1,691,210	1,690,801	5 years
Equipment	146,329	142,599	5 years
Construction in progress	300,000	-	N/A
	5,431,596	5,010,867	
Less accumulated depreciation	(2,878,340)	(2,714,478)	
Property and equipment, net	<u>\$ 2,553,256</u>	<u>\$ 2,296,389</u>	

Included in construction in progress at December 31, 2010 are payments for the design of the ELV facility. The land, building, and building improvements are pledged as collateral on the outstanding note payable.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

3. Notes Payable

A summary of notes payable as of December 31, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Note payable, payable in 5 payments of principal plus interest in an annual amount of \$50,000, with the entire unpaid balance of principal and interest due February 28, 2013, secured by property. Interest rate of 4.5% and 6.0% at December 31, 2010 and 2009, respectively.	\$ 420,000	\$ 475,000
	420,000	475,000
Less current portion	<u>(50,000)</u>	<u>(50,000)</u>
Total long-term notes payable	<u>\$ 370,000</u>	<u>\$ 425,000</u>

The aggregate maturities of outstanding debt as of December 31, 2010 are as follows:

2011	\$ 50,000
2012	50,000
2013	<u>320,000</u>
	<u>\$ 420,000</u>

4. Line of Credit

The Museum obtained a revolving line of credit in the amount of \$100,000 with a financial institution. Interest on the line is at the *Wall Street Journal* prime rate which was 4.5% at December 31, 2010 and 2009. At December 31, 2010 and 2009, the balance on the line of credit was \$65,000 and \$70,000, respectively. The line of credit is fully collateralized by the Julia Street property.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

5. Restricted Net Assets

Temporarily restricted net assets of \$2,158,087 and \$1,664,601 as of December 31, 2010 and 2009, respectively, are restricted for the following purpose:

	2010	2009
Exhibits	\$ 19,807	\$ 21,624
Programs	768,555	750,907
Early Learning Village	1,369,725	892,070
	<u>\$ 2,158,087</u>	<u>\$ 1,664,601</u>

In December 2008, the State of Louisiana Office of Facility Planning and Control approved capital outlay funding of \$500,000 to be used for the ELV Project. In May 2009, the cooperative endeavor agreement relating to this funding was signed by the Museum and the State of Louisiana. At December 31, 2010 and 2009, included in promises to give is \$351,300 and \$500,000, respectively. During the year ended December 31, 2010, the Museum received an additional commitment of \$300,000 from the State of Louisiana for the ELV Project. At December 31, 2010, included in promises to give is \$300,000.

On December 15, 2009, the Museum was awarded \$250,000 of funding from the federal government through the Consolidated Appropriations Act for fiscal year 2010. At December 31, 2010 and 2009, included in promises to give is \$250,000 due from the federal government.

Cash, cash equivalents and investments include donor imposed temporarily restricted amounts of \$999,887 and \$645,401 as of December 31, 2010 and 2009, respectively.

The Museum also has permanently restricted net assets of \$71,795 as of December 31, 2010 and 2009, of which the interest earnings on these funds are available for unrestricted operating purposes. For 2010 and 2009, the net assets released are comprised of previously recorded temporary restricted assets that have met either time or purpose restrictions primarily for educational purposes.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

6. Fair Value of Financial Instruments

ASC Topic 820, "Fair Value Measurements and Disclosures," establishes a fair value hierarchy with three levels based on the reliability of the inputs used to determine fair value. These levels include: Level 1, defined as inputs such as unadjusted quoted prices in active markets for identical assets and liabilities; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for use when little or no market data exist, therefore requiring an entity to develop its own assumptions.

At December 31, 2010 and 2009, the Museum held certain financial assets and liabilities that are required to be measured at fair value on a recurring basis, primarily our investments held by Greater New Orleans Foundation. The following table presents financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 and 2009 by *Fair Value Measurement* valuation hierarchy:

	Quoted Prices in Active Markets for Identical Assets (Liabilities) (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2010			
Greater New Orleans Foundation Investments	\$ 34,312	\$ 75,063	\$ -
2009			
Greater New Orleans Foundation Investments	\$ 38,587	\$ 59,882	\$ -

The fair value of cash and cash equivalents, accounts receivable, promises to give, inventory, and accounts payable approximates book value at December 31, 2010 and 2009 due to the short-term nature of these accounts.

7. Promise to Give

During the year ended December 31, 2010, the Museum received a verbal commitment from a Fortune 500 company of \$1,000,000 to assist in funding the Early Learning Village project. No amounts have been recorded in the financial statements related to this commitment.

LOUISIANA CHILDREN'S MUSEUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

8. Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 23, 2011, and noted the following item for disclosure.

In 2011, the Museum received commitments of \$160,000 of new funding for operations and exhibits in the Museum. No amounts have been recorded in the 2010 financial statements relating to these commitments.

LOUISIANA CHILDREN'S MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2009

(9) Expenses

Expenses were incurred for the year ended December 31, 2010 for the following:

	General and administrative	Marketing and sales	Museum store	Fund raising	Development	Education	Early Learning Village	Exhibit maintenance and repairs	Total
Salaries, benefits and related expenses	\$ 157,992	\$ 92,804	\$ 38,880	\$ 29,836	\$ 44,854	\$ 369,954	\$ 36,259	\$ 43,001	\$ 813,490
Advertising	-	11,622	-	-	-	-	-	-	11,622
Contracted services	82,290	38	113	131	2,304	169	142,840	-	227,885
Depreciation	29,495	-	3,277	-	-	-	-	131,060	163,862
Dues and subscriptions	3,027	798	200	-	2,225	318	-	-	6,568
Entertainment	387	215	-	-	111	-	-	-	713
Equipment rental	2,065	-	-	-	-	123	-	5,356	7,544
Exhibits and programs	-	-	-	-	-	96,238	-	6,300	102,758
Cost of goods sold	-	-	76,441	-	-	-	-	-	76,441
Housekeeping	10,403	-	1,156	-	-	-	-	46,236	57,795
Insurance	80,272	-	2,007	-	-	-	-	18,961	100,340
Interest	4,052	-	450	-	-	-	-	18,008	22,510
Miscellaneous	13,200	156	499	-	525	8,672	96	11	23,159
Parking	3,300	3,600	1,300	1,000	1,338	7,148	1,100	2,400	21,226
Repairs and maintenance	1,635	-	-	-	-	-	-	44,534	46,169
Security	492	-	-	-	-	\$	-	-	492
Special events and fund raising	-	30,041	-	30,248	91	26,543	-	-	86,923
Supplies, postage and printing	14,710	17,412	846	276	1,563	4,177	8,999	176	48,159
Travel and training	1,008	40	-	-	1,908	1,971	8,614	1,032	14,273
Utilities	14,386	13,615	13,615	13,615	13,615	13,615	-	14,586	97,247
Total expenses	\$ 418,824	\$ 170,341	\$ 138,784	\$ 75,106	\$ 67,634	\$ 528,993	\$ 197,908	\$ 331,591	\$ 1,929,181

LOUISIANA CHILDREN'S MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

(9) Expenses

Expenses were incurred for the year ended December 31, 2009 for the following:

	General and administrative	Marketing and sales	Museum store	Rund mising	Development	Education	Early Learning Village	Exhibit maintenance and repairs	Total
Salaries, benefits and related expenses	\$ 177,565	\$ 121,426	\$ 40,298	\$ 39,283	\$ 53,260	\$ 516,679	\$ 26,206	\$ 41,538	\$ 1,018,255
Advertising	-	24,632	-	-	-	-	-	-	24,632
Contracted services	53,764	2,234	150	150	3,050	7,184	255,028	-	321,560
Depreciation	25,726	-	2,858	-	-	-	-	114,140	142,924
Dues and subscriptions	3,205	962	-	-	500	-	-	-	4,667
Entertainment	51	-	-	-	150	-	-	-	201
Equipment rental	1,196	-	-	-	-	-	-	7,915	9,111
Exhibits and programs	-	-	-	-	-	73,226	-	10,209	83,435
Cost of goods sold	-	-	-	-	-	-	-	-	74,709
Housekeeping	12,460	-	-	-	-	-	-	55,380	69,224
Insurance	84,186	-	-	-	-	-	-	18,942	105,237
Interest	3,265	-	-	-	-	-	-	14,511	18,139
Miscellaneous	11,849	698	90	78	370	2,502	-	385	15,972
Parking	5,500	3,472	1,100	900	1,400	7,185	816	2,400	23,071
Repairs and maintenance	5,858	-	-	-	-	-	-	20,019	25,907
Security	737	-	-	-	-	-	-	-	737
Special events	-	-	-	-	-	-	-	-	-
and fund raising	-	22,696	-	36,517	-	12,607	-	-	71,820
Supplies, postage and printing	10,129	32,215	103	926	1,552	11,131	1,739	-	57,815
Travel and training	3,537	-	-	573	339	3,833	12,889	79	21,250
Utilities	16,079	15,008	15,008	15,008	15,008	15,008	-	16,079	107,196
Total expenses	\$ 415,107	\$ 223,343	\$ 138,172	\$ 92,435	\$ 75,629	\$ 649,675	\$ 256,678	\$ 303,827	\$ 2,195,866

LOUISIANA CHILDREN'S MUSEUM

SCHEDULE OF COMPARISON OF STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009	Variance Favorable (Unfavorable)	
			Amount	Percentage
Revenues and other support:				
General and administrative	\$ 422,898	\$ 396,403	\$ 26,495	6.7%
Marketing and sales	242,844	215,193	27,651	12.8%
Museum store	151,061	147,453	3,608	2.4%
Fund raising	158,846	168,847	(10,001)	(5.9)%
Development	736,488	352,332	384,156	109.0%
Education	109,669	78,477	31,192	39.7%
Early learning village	821,338	1,027,300	(205,962)	(20.0)%
Memberships	180,098	200,968	(20,870)	(10.4)%
	<u>2,823,242</u>	<u>2,586,973</u>	<u>236,269</u>	<u>9.1%</u>
Expenses:				
General and administrative	418,824	415,107	(3,717)	(0.9)%
Marketing and sales	170,341	223,343	53,002	23.7%
Museum store	138,784	138,172	(612)	(0.4)%
Fund raising	75,106	93,435	18,329	19.6%
Development	67,634	75,629	7,995	10.6%
Education	528,993	649,675	120,682	18.6%
Early learning village	197,908	296,678	98,770	33.3%
Exhibit, maintenance and repairs	331,591	303,827	(27,764)	(9.1)%
Total expenses	<u>1,929,181</u>	<u>2,195,866</u>	<u>266,685</u>	<u>12.1%</u>
Change in net assets	894,061	391,107	502,954	(128.6)%
Net assets at beginning of year	<u>3,460,783</u>	<u>3,069,676</u>	<u>391,107</u>	<u>12.7%</u>
Net assets at end of year	<u>\$ 4,354,844</u>	<u>\$ 3,460,783</u>	<u>\$ 894,061</u>	<u>25.8%</u>

See accompanying independent auditors' report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

The Board of Directors
Louisiana Children's Museum

We have audited the financial statements of the Louisiana Children's Museum (the Museum) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Museum's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Museum's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management of the Museum and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Nettowill

Metairie, Louisiana
June 23, 2011